



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Michael Talbett, Chairman, Executive Committee
From: Walter S. Willis, Executive Director *WSW*
Subject: July 2022 Meeting Notice Information
Date: July 7, 2022

Attached you will find the agenda for our next **in-person** meeting at 12 pm on July 14, 2022, the minutes from the May 12, 2022 meeting, and the referenced consent, action and information items.

Please let Amy Bartemio know if you will be attending or not, this meeting will be held in person with light food and drinks served.

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday, July 14, 2022 12:00 pm
1311 N. Estes Street Gurnee, IL. 60031

1. CALL TO ORDER.....Chairman Talbett
2. ROLL CALLSecretary
3. APPROVAL OF MINUTES
 May 12, 2022
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS.....Chairman Talbett

Consent Item

1. Expenditure Reports (May 2022)

Action Items

1. Fiscal Year 2021 Audit
2. Intergovernmental Agreement with IEPA

Information Items


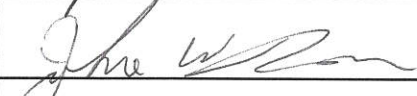

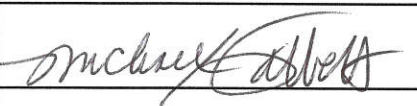


1. Project and Program Updates

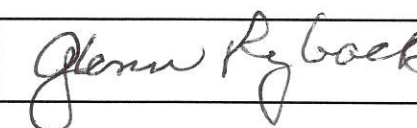
7. EXECUTIVE SESSION – 5 ILCS 120/2(c)(1) *Executive Director Annual Review*
8. ADJOURNMENT

SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO) EXECUTIVE COMMITTEE

SIGN IN SHEET

May 12, 2022

REPRESENTATIVE	SIGNATURE	TITLE
ELLIS	<i>Called in.</i>	VILLAGE MANAGER
MUETZ		VILLAGE ADMINISTRATOR
NORRIS		MAYOR EMERITUS
ROTHING		VILLAGE PRESIDENT
TALBETT		VILLAGE ADMINISTRATOR
WAGENER		TRUSTEE
WARDA		SENIOR PLANNER
SIMPSON	<i>Called in.</i>	LAKE COUNTY BOARD

RYBACK		SWALCO BOD CHAIRMAN
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	A	B	C	D	E	F	G	H	I	J	K	L
1	SWALCO EXECUTIVE BOARD VOTING RECORD - May 12, 2022											
2	REPRESENTATIVE		<i>Mtg Minutes 3-10-22</i>		<i>April 2022 Expenses</i>		<i>Special Collection Rates</i>		<i>To exec Session 12:20pm</i>		<i>From exec Session 12:44pm</i>	
3	Attendance		A	N	A	N	A	N	A	N	A	N
4	MIKE ELLIS	Called IN			✓		✓		✓		✓	
5	PATRICK MUETZ	✓	VOICE - UNANIMOUS		✓		✓		✓		✓	
6	JOHN NORRIS	✓			✓		✓		✓		✓	
7	BUD ROTHING	—			—		—		—		—	
8	MICHAEL TALBETT	✓			✓		✓		✓		✓	
9	JOHN WAGENER	—			—		—		—		—	
10	NIMROD WARDA	—			—		—		—		—	
11	JULIE SIMPSON	Called IN			✓		✓		✓		✓	

(5)

(5)

(5)

(5)

(5)

Glenn Ryback - Present.
Derek Price - Called in.

PUBLIC SIGN-IN SHEET

(Executive Committee Meeting)

Name

Address

Representing

none

Date: 05/12/2022

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL EXECUTIVE COMMITTEE

Thursday, May 12, 2022 12:00 pm
1311 N. Estes Street, Gurnee, IL. 60030

CALL TO ORDER

Chairperson Michael Talbett called the meeting to order at 12:07 pm with 5 members in attendance.
Derek Price, Julie Simpson and Mike Ellis connected via telephone.
Glenn Rybeck was in attendance.

APPROVAL OF MINUTES

Motion by *John Norris* seconded by *Pat Muetz* to approve the *Executive* meeting minutes of 03.10.2022
Motion was approved on a roll call of 5 to 0.

NEW AGENDA ITEMS – None

PUBLIC COMMENT - None

EXECUTIVE COMMITTEE ITEMS – None

CONSENT ITEM

1. Expenditure Reports (April 2022).
Motion by *John Norris* seconded by *Pat Muetz*
Motion was approved on a roll call of 5 to 0.

ACTION ITEMS

1. Rates for Special Materials Collections

Walter Willis presented the new Special Material Collection rates for review and approval. Our first collection event is scheduled for May 25th and will allow for 100 visitors. We will begin collecting latex paint, propane cylinders and fire extinguishers. Latex paint - \$2 per quart, \$4.50 per gallon and \$11.50 for 5-gallon bucket, Single use and isobutane propane cylinders - \$4.25 per cylinder and Fire extinguishers - \$3 per extinguisher.

Motion by *John Norris*, seconded by *Mike Ellis* to approve the proposed rates for the new collection events. ***Motion was approved on a roll call vote of 5 to 0.***

INFORMATION ITEMS

1. Project and Program Updates – Brief Updates Given by Walter Willis

Walter Willis provided summaries and updates regarding several projects and programs we are currently working on:

- HB 1780, the Drug Take Back bill has been sent to the Governor. SWALCO and Lake County issued a press release on the General Assembly passing the bill. Staff is now working with IEPA on helping implement the bill with the goal of getting our costs recovered under the bill.
- The draft Packaging and Paper Products (PPP) bill has been sent to the IL Retail Merchants Association and the IL Environmental Council for their comments. Next step is to send to the larger stakeholder group in late May and then release to all other stakeholders in June.

- Work on the WM's proposed "Green Campus" continues as SWALCO, Lake County and Grayslake prepare a list of agreed upon terms to assist in the negotiation process.
- Walter Willis has asked APTIM, which completed the MRF study, to prepare a proposal to initiate an RFP process regarding members' recyclables and dedicating them to a specific MRF in return for a set tipping fee and share of the revenue from the sale of the recyclables. The success of San Antonio will be discussed with the Committee.

EXECUTIVE SESSION: Employee Performance Discussion

Motion by *John Norris* seconded by *Pat Muetz* to go into Executive Session citing 5 ILCS 120/2(c)(1) to discuss Employee Evaluation (12:29 pm).

Motion was approved on a roll call vote of 5 to 0.

Motion by *John Norris*, seconded by *Pat Muetz* return to open session (12:44 pm).

Motion was approved on a roll call vote of 5 to 0.

No action taken. Consensus Only.

NEXT EXECUTIVE COMMITTEE MEETING: Thursday, May 12, 2022 - 12:00 p.m.

NEXT BOARD MEETING: Thursday, June 16, 2022 – 1:00 p.m., Virtual Platform (tentative)

ADJOURNMENT (12:45 p.m.): Motion by *Mike Ellis* seconded by *Pat Muetz* to adjourn.

Motion was approved on a roll call vote of 5 to 0.

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: We recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$57,256.20; Education \$ 302.98 Household Chemical Waste \$ 7,273.44; Recycling \$ 696.00 ***Total expenditures for May 2022 - \$65,528.62***

ENCLOSED DOCUMENTS: Trading Partner Account Analysis Report

STAFF: Walter Willis, Executive Director
Amy Bartemio, Executive Office Manager

Ledger / Ledger Set	Lake County
Period From	May-22
Period To	May-22
Accounting Flexfield From	930-9200010-50000-000-000-00000
Accounting Flexfield To	930-9200040-99999-zzz-zzz-zzzzz
Balance Type	Actual
Encumbrance Type / Budget Name	No
Include Zero Amount Lines	No
Include User Transaction Identifiers	No
Include Statistical Amount Lines	No
Include Accounts With No Activity	No
Trading Partner	All Trading Partners

Ledger Name	Lake County	Ledger Currency	USD	Balance Type	Actual
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Trading Partner: **ANCEL GLINK PC**
Period Name: **May-22**

Trading Partner	Source	Category	GL Date	Transaction Number	Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Legal Services----
ANCEL GLINK PC	Payables	Purchase Invoices	May 18, 2022	88989		
					Line Description	
					Ancel, Glink & Associates Statement No. 88989 dated 05/10/2022 - 2022 Legal Services	Debit 967.50
					May-22 Account Total	Credit 967.50

Trading Partner Total	967.50	0.00
Trading Partner Net Total	967.50	

Trading Partner: **BEST QUALITY FACILITY SERVICES LLC**
Period Name: **May-22**

Trading Partner	Source	Category	GL Date	Transaction Number	Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Servi----
BEST QUALITY FACILITY SERVICES LLC	Payables	Purchase Invoices	May 25, 2022	41567		
					Line Description	
					Best Quality Cleaning (BQC) BLANKET PO for Office Cleaning Services Dec 2021 to Nov 2022	Debit 200.00
					May-22 Account Total	Credit 200.00

Trading Partner Total	200.00	0.00
Trading Partner Net Total	200.00	

Trading Partner: **BURRIS EQUIPMENT CO INC**
Period Name: **May-22**

Trading Partner	Source	Category	GL Date	Transaction Number	Description	SWALCO \- Solid Waste Prog-Household Hazard Waste Maintenance And----
BURRIS EQUIPMENT CO INC	Payables	Purchase Invoices	May 5, 2022	RC2003157-1		
					Line Description	
					Burris Equipment inv#RC2003157-1 dated 05/02/2022 - Rental for 2022 FL HCW Event	Debit 444.10
					May-22 Account Total	Credit 444.10

Trading Partner Total	444.10	0.00
Trading Partner Net Total	444.10	

BOSS Trading Partner Account Analysis Report

Date From 2022-05-01

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Trading Partner: CENTURY AUTOMATIC SPRINKLER

Period Name: May-22

Trading Partner Total	444.10	0.00
Trading Partner Net Total	444.10	

Account 930-9200030-72410-000-000-000000			Description		SWALCO \- Solid Waste Prog-Household Hazard Waste -All Other Maintenance And-----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
CENTURY AUTOMATIC SPRINKLER	Payables	Purchase Invoices	May 2, 2022	43224	Century Sprinkler Inv# 43224 dated 04/28/2022 Annual Inspection Sprinkler/Fire Pum	1,275.00	
CENTURY AUTOMATIC SPRINKLER	Payables	Purchase Invoices	May 11, 2022	43264	Century Sprinkler Inv# 43264 dated 04/30/2022 Reset Foam Ansul System	477.00	
					May-22 Account Total	1,752.00	0.00

Trading Partner Total	1,752.00	0.00
Trading Partner Net Total	1,752.00	

Trading Partner: DIRECT ENERGY BUSINESS

Period Name: May-22

Account 930-9200010-71920-000-000-000000		Description		SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----			
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
DIRECT ENERGY BUSINESS	Payables	Purchase Invoices	May 18, 2022	221320049050362	Acct# 1186702 Electricity Services	1,098.10	
				May-22 Account Total		1,098.10	0.00

Trading Partner Total	1,098.10	0.00
Trading Partner Net Total	1,098.10	

Trading Partner: EWORKS ELECTRONICS SERVICES INC

Period Name: May-22

Account 930-9200040-79940-000-000-000000							SWALCO \- Solid Waste Prog-Recycling -Miscell Contractual Servi-----	
Trading Partner		Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
EWORKS ELECTRONIC S SERVICES INC		Payables	Purchase Invoices	May 2, 2022	22-378	eWorks Electronics Services Inv#22-378 dated 04/29/2022 Cleanup Services - Grayslake RC	696.00	

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Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
					May-22 Account Total	696.00	0.00

Trading Partner Total	696.00	0.00
Trading Partner Net Total	696.00	

Trading Partner: GT LANDSCAPING LLC

Period Name: May-22

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Servl----							
Account	930-9200010-79940-000-000-000000	Description	Transaction Number	GL Date	Category	Source	
GT LANDSCAPING LLC			3443	May 5, 2022	Purchase Invoices	Payables	
		GT Landscaping LLC BLANKET PO for 2022 Landscape Services (including spring/fall clean up)					
		May-22 Account Total				330.00	0.00

Trading Partner Total	330.00	0.00
Trading Partner Net Total	330.00	

Trading Partner: HANSEN ASSOCIATES INC

Period Name: May-22

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Equip Maintenance ----							
Account	930-9200010-72260-000-000-000000	Description	Transaction Number	GL Date	Category	Source	
HANSEN ASSOCIATES INC			23284	May 2, 2022	Purchase Invoices	Payables	
		Hansen Associates, Inc. BLANKET PO for 2022 Copier Service & Meter Fees					
		May-22 Account Total				92.00	0.00

Trading Partner Total	92.00	0.00
Trading Partner Net Total	92.00	

Trading Partner: LRS HOLDINGS LLC

Period Name: May-22

SWALCO \- Solid Waste Prog-Household Hazard Waste Disposal----							
Account	930-9200030-71630-000-000-000000	Description	Transaction Number	GL Date	Category	Source	
LRS HOLDINGS			0004993308	May 25, 2022	Purchase Invoices	Payables	
		LRS Inv#0004993308 dated 05/15/2022 HCW Fox Lake Mobile Event Trash Service					
						937.70	

Trading Partner Total	937.70	
Trading Partner Net Total	937.70	

BOSS Trading Partner Account Analysis Report

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Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
LLC							
					May-22 Account Total	937.70	0.00

Trading Partner Total	937.70	0.00
Trading Partner Net Total	937.70	

Trading Partner: NORTH SHORE GAS CO
Period Name: May-22

Account		930-9200010-71910-000-000-00000		Description		SWALCO \- Solid Waste Prog-SWALCO Administration-Gas For Heating----	
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
NORTH SHORE GAS CO	Payables	Purchase Invoices	May 2, 2022	4117610574	Acct#0608417646-00001 Gas Charges	1,506.60	
					May-22 Account Total	1,506.60	0.00

Trading Partner Total	1,506.60	0.00
Trading Partner Net Total	1,506.60	

Trading Partner: NORTH SHORE WATER RECLAMATION DISTRICT
Period Name: May-22

Account		930-9200010-71930-000-000-000000		Description		SWALCO \- Solid Waste Prog-SWALCO Administration-Water And Sewer Charges----	
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
NORTH SHORE WATER RECLAMATION DISTRICT	Payables	Purchase Invoices	May 5, 2022	4793142	Acct#40337190-059406 WWT Charges 09/24/21 to 01/27/2022	10.98	
					May-22 Account Total	10.98	0.00

Trading Partner Total	10.98	0.00
Trading Partner Net Total	10.98	

Trading Partner: PEERLESS NETWORK INC
Period Name: May-22

Account		930-9200010-71940-000-000-000000		Description		SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone-----	
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
PEERLESS	Payables	Purchase	May 18, 2022	521870	Acct#1210482 Telephone/Landline	131.31	

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Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
NETWORK INC		Invoices					
					May-22 Account Total	131.31	0.00

Trading Partner Total	131.31	0.00
Trading Partner Net Total	131.31	

Trading Partner: UNIVERSITY OF ILLINOIS
Period Name: May-22

Trading Partner	Source	Category	GL Date	Description	Transaction Number	Line Description	Debit	Credit
UNIVERSITY OF ILLINOIS	Payables	Purchase Invoices	May 18, 2022	018000AH702		University of Illinois Inv#018000AH702 dated 05/10/2022 USDA Grant NR203A750001C028 service vendor	360.31	
UNIVERSITY OF ILLINOIS	Payables	Purchase Invoices	May 25, 2022	519SF		UOI Extension Inv#519SF dated 05/19/2022 USDA Grant NR203A750001C028 service vendor	444.70	
UNIVERSITY OF ILLINOIS	Payables	Purchase Invoices	May 25, 2022	519JD		UOI Extension Inv#519JD dated 05/19/2022 USDA Grant NR203A750001C028 service vendor	268.13	
						May-22 Account Total	1,073.14	0.00

Trading Partner Total	1,073.14	0.00
Trading Partner Net Total	1,073.14	

Trading Partner: VEOLIA ES TECHNICAL SOLUTIONS LLC
Period Name: May-22

Trading Partner	Source	Category	GL Date	Description	Transaction Number	Line Description	Debit	Credit
VEOLIA ES TECHNICAL SOLUTIONS LLC	Payables	Purchase Invoices	May 25, 2022	INV-73775		Blanket PO - Labor and Transportation services for SWALCO's Household Chemical Waste Collection Program FY2022	3,076.00	
						May-22 Account Total	3,076.00	0.00

Trading Partner Total	3,076.00	0.00
Trading Partner Net Total	3,076.00	

Trading Partner: VILLAGE OF GURNEE
Period Name: May-22

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Account 930-9200030-72210-000-000-000000					SWALCO \- Solid Waste Prog-Household Hazard Waste -Motor Vehicle Maintenance----				
Trading Partner	Source	Category	GL Date	Transaction Number	Description	Line Description	Debit	Credit	
VILLAGE OF GURNEE	Payables	Purchase Invoices	May 18, 2022	2779		Diesel Fuel March & April 2022	229.97		
					May-22 Account Total		229.97	0.00	
					Trading Partner Total		229.97	0.00	
					Trading Partner Net Total		229.97		

Trading Partner: WASTE MANAGEMENT OF ILLINOIS INC
Period Name: May-22

Account 930-9200030-71630-000-000-000000					SWALCO \- Solid Waste Prog-Household Hazard Waste -Garbage Disposal----				
Trading Partner	Source	Category	GL Date	Transaction Number	Description	Line Description	Debit	Credit	
WASTE MANAGEMENT OF ILLINOIS INC	Payables	Purchase Invoices	May 5, 2022	000589640663		Blanket PO - Trash/recycling services at SWALCO's Gurnee facility. Gurnee Commercial Franchise pricing applies. Services for Fiscal Year 2022.	181.80		
					May-22 Account Total		181.80	0.00	
					Trading Partner Total		181.80	0.00	
					Trading Partner Net Total		181.80		

Trading Partner: Not Specified
Period Name: May-22

Account 930-9200010-51110-000-000-000000					SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wage----				
Trading Partner	Source	Category	GL Date	Transaction Number	Description	Line Description	Debit	Credit	
	Payroll	Payroll	May 13, 2022			Journal Import Created	17,980.49		
	Payroll	Payroll	May 13, 2022			Journal Import Created	673.51		
	Payroll	Payroll	May 27, 2022			Journal Import Created	1,203.76		
	Payroll	Payroll	May 27, 2022			Journal Import Created	17,854.07		
					May-22 Account Total		37,711.83	0.00	

Account 930-9200010-51180-000-000-000000					SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----				
Trading Partner	Source	Category	GL Date	Transaction Number	Description	Line Description	Debit	Credit	
	Payroll	Payroll	May 13, 2022			Journal Import Created	447.69		

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Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 27, 2022		Journal Import Created	447.69	
					May-22 Account Total	895.38	0.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----							
Account	930-9200010-51310-000-000-000000	Description					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 13, 2022		Journal Import Created	55.00	
					May-22 Account Total	55.00	0.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Food and Provisions----							
Account	930-9200010-61080-000-000-000000	Description					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		2990.13-MAY-22.EZCATERPOTBELLY SANDW.	154.64	
	P Card Import	P Card Import	May 2, 2022		2990.13-MAY-22.AMZN MKTP US*1L0794YK1.	130.95	
	P Card Import	P Card Import	May 2, 2022		6810.27-MAY-22.JERSEY MIKES 27003.	29.03	
	P Card Import	P Card Import	May 2, 2022		5470.27-MAY-22.TST* AUSTIN'S SALOON 2.- Tipped \$16.00 See attached for additional details of lunch	96.98	
					May-22 Account Total	411.60	0.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----							
Account	930-9200010-71940-000-000-000000	Description					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		2990.26-MAY-22.VZWRLSS*MY VZ VB P.	204.45	
					May-22 Account Total	204.45	0.00

SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----							
Account	930-9200010-74080-000-000-000000	Description					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 13, 2022		Journal Import Created	22.00	
	Payroll	Payroll	May 13, 2022		Journal Import Created	4,653.61	
	Payroll	Payroll	May 27, 2022		Journal Import Created	4,653.61	
	Payroll	Payroll	May 27, 2022		Journal Import Created	22.71	
					May-22 Account Total	9,351.93	0.00

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Account 930-9200010-74100-000-000-000000				Description	SWALCO \ Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 13, 2022		Journal Import Created	1,385.63	
	Payroll	Payroll	May 27, 2022		Journal Import Created	1,412.41	
					May-22 Account Total	2,798.04	0.00

Account 930-9200010-74110-000-000-000000				Description	SWALCO \ Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 13, 2022		Journal Import Created	147.47	
	Payroll	Payroll	May 27, 2022		Journal Import Created	150.91	
					May-22 Account Total	298.38	0.00

Account 930-9200010-79940-000-000-000000				Description	SWALCO \ Solid Waste Prog-SWALCO Administration-Miscell Contractual Servi----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		2990.04-MAY-22.ORKIN LLC 002	83.00	
					May-22 Account Total	83.00	0.00

Account 930-9200010-84060-000-000-000000				Description	SWALCO \ Solid Waste Prog-SWALCO Administration-Furniture And Office Equi----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		2990.02-MAY-22.THE HOME DEPOT #1952.	36.96	
					May-22 Account Total	36.96	0.00

Account 930-9200020-61040-000-000-000000				Description	SWALCO \ Solid Waste Prog-Education-Operational Supplies----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		7856.06-MAY-22.MARIANOS #521.-5/5 Marianos Bev and Food for Round-up	17.66	
	P Card Import	P Card Import	May 2, 2022		7856.16-MAY-22.HITZ PIZZA & SPORTS BA.- For 2022 Shoe Round-up at Vernon Hills Public Works on May 5, 2022	104.00	
	P Card Import	P Card Import	May 2, 2022		7856.09-MAY-22.HITZ PIZZA & SPORTS BA.- Shoe Round-up at Vernon Hills PW May 2022	57.82	

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Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
					Please note - she gave us a discounted price - hence the lower price than reflected on the receipt.		
	P Card Import	P Card Import	May 2, 2022		7856.16-MAY-22.MARIANOS #521.-For Rain Barrel and Compost bin event at VHPW May 13, 2022	18.56	
	P Card Import	P Card Import	May 2, 2022		7856.24-MAY-22.AMZN MKTP US*1X93O3GE1.-Materials for Compost Tabling Kits for Members and Office Supplies	104.94	
					May-22 Account Total	302.98	0.00

SWALCO \- Solid Waste Prog-Household Hazard Waste \-Operational Supplies----							
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		2990.19-MAY-22.GRAINGER.	70.37	
	P Card Import	P Card Import	May 2, 2022		7221.16-MAY-22.ACE HDWE.-Tool to clean paint can crusher	15.99	
					May-22 Account Total	86.36	0.00

SWALCO \- Solid Waste Prog-Household Hazard Waste \-Consultants----							
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 2, 2022		7221.02-MAY-22.ROSATI'S PIZZA.-Mobile Event Lunch	319.00	
	P Card Import	P Card Import	May 2, 2022		7221.02-MAY-22.SAMS CLUB #8184.-Mobile Event Ice, Water, Pop, and breakfast snacks	131.74	
	P Card Import	P Card Import	May 2, 2022		7221.16-MAY-22.JIMMY JOHNS - 2491.-Event Lunch	96.51	
	P Card Import	P Card Import	May 2, 2022		7221.16-MAY-22 STRACK & VAN TIL #8778.-Event Breakfast Snack	18.26	
					May-22 Account Total	565.51	0.00

Trading Partner Total	52,801.42	0.00
Trading Partners Net Total	52,801.42	
All Trading Partners Grand Total	65,528.62	0.00
All Trading Partners Net Grand Total	65,528.62	

End of Report

A -1 . Fiscal Year 2021 Audit

ISSUE: Whether to recommend to the SWALCO Board of Directors that the Fiscal Year 2021 audit be approved.

RECOMMENDATION: SWALCO staff recommends approval of the financial audit.

BACKGROUND: SWALCO's By-Laws and Illinois law requires that municipal joint action agencies undertake an annual financial audit. This year RSM US LLP conducted the audit, the same firm that audits Lake County government.

The audit includes the required communication of internal control related matters, and financial statements for fiscal years ending November 2021 and 2020. This year's audit was completed in conformance with the Government Accounting Standard Board (GASB) 34 model. The audit was found to be satisfactory and did not contain any material weaknesses in our financial reporting.

I want to thank Lake County's Finance Department and Amy Bartemio for their hard work in obtaining this clean audit. Upon your approval, the 2021 audit will be forwarded to the Board of Directors for its final action.

ENCLOSED DOCUMENTS: Final Draft, Fiscal Year 2021 Financial Audit

STAFF: Walter S. Willis, Executive Director

Solid Waste Agency of Lake County, Illinois

Report to the Board of Directors
REPORTDATE

[Date of Issuance of Communication]

Board of Directors
Solid Waste Agency of Lake County, Illinois
Gurnee, Illinois

Attention: Glenn Ryback, Board Chairman

We are pleased to present this report related to our audit of the financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO) as of and for the year ended November 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SWALCO's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to SWALCO.

[Firm Signature]

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 11, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated January 11, 2022 regarding the planned scope and timing of our audit and identified significant risks. In addition to revenue recognition and management override of controls, we also identified the pension asset / liability as a significant risk.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by SWALCO. SWALCO did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, are attached in the representation letter at Exhibit A.

Uncorrected misstatements are summarized in the attached list of Uncorrected Misstatements.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communication Between Management and Our Firm

A copy of a significant written communication between our firm and the management of SWALCO, the representation letter provided to us by management, is attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the SWALCO's November 30, 2021 financial statements.

Significant Accounting Estimates

Net Pension Asset

Accounting policy

Net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense for the Illinois Municipal Retirement Fund (IMRF) are reported by SWALCO in accordance with GASB Statement No. 68.

Management's estimation process

SWALCO receives from IMRF an actuarial report providing the net pension asset as well as the related amounts, such as the annual service cost and deferred inflows and outflows related to changes in the actuarial assumptions. Management reviews the report for accuracy.

Basis for our conclusion on the reasonableness of the estimate

We obtained the actuarial report and supporting schedules and reviewed the assumptions for reasonableness. We also reviewed the census data provided to IMRF by SWALCO and compared SWALCO's records. The method used by SWALCO to calculate the net pension asset appears reasonable.

UNCORRECTED MISSTATEMENTS

We identified the following uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard.

Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expense
Carryover Impact from Prior Years:					
To adjust other postemployment benefits liability	\$ -	\$ 52,331	\$ (52,331)	\$ -	\$ -
Current Year Misstatements:					
Current year adjustment to other postemployment benefits liability and expense	-	(227)	227	-	(227)
Current year adjustment to deferred inflows of resources for other postemployment benefits and expense	-	(1,338)	1,338	-	(1,338)
Total statement of revenues, expenses, and changes in net assets effect				\$ -	\$ (1,565)
Statement of net position effect	\$ -	\$ 50,766	\$ (50,766)		

EXHIBIT A

Significant Written Communication Between Management and Our Firm

Solid Waste Agency of Lake County, Illinois

Financial Report
November 30, 2021

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Independent Auditor's Report

Board of Directors
Solid Waste Agency of Lake County, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO), which comprise the statements of net position as of November 30, 2021 and 2020, the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWALCO as of November 30, 2021 and 2020, and the changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SWALCO has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Chicago, Illinois
Report Date

Solid Waste Agency of Lake County, Illinois

**Statements of Net Position
November 30, 2021 and 2020**

	2021	2020
Assets		
Current assets:		
Cash and investments	\$ 1,992,180	\$ 1,982,241
Receivables	172,165	151,979
Prepaid insurance	29,479	26,816
Total current assets	2,193,824	2,161,036
Noncurrent assets:		
Designated assets:		
Equipment replacement fund	254,602	254,602
Restricted assets:		
Net pension asset	955,596	684,331
Capital assets:		
Plant in service	2,299,796	2,299,796
Accumulated depreciation	(1,476,404)	(1,397,337)
Total noncurrent assets	2,033,590	1,841,392
Total assets	4,227,414	4,002,428
Deferred outflows of resources - pension	49,310	55,596
Liabilities		
Current liabilities:		
Accounts payable	15,348	52,234
Accrued payroll	88,727	35,546
Deferred revenue	142	15
Total current liabilities	104,217	87,795
Deferred inflows of resources - pension	321,594	188,470
Net position:		
Net investment in capital assets	823,392	902,459
Restricted for:		
Pension	955,596	684,331
Unrestricted	2,071,925	2,194,969
Total net position	\$ 3,850,913	\$ 3,781,759

See notes to financial statements.

Solid Waste Agency of Lake County, Illinois

**Statements of Revenues, Expenses and Changes in Net Position
Years Ended November 30, 2021 and 2020**

	2021	2020
Operating revenues:		
County surcharge—current	\$ 714,542	\$ 587,258
Member fees	287,324	287,275
Other miscellaneous	94,908	39,998
Total operating revenues	1,096,774	914,531
Operating expenses:		
Personnel services	634,021	485,710
Operational services	31,987	15,033
Contractual services	393,721	511,718
Buildings and equipment maintenance	20,004	12,443
Pension income	(127,848)	(170)
Depreciation	79,067	79,068
Total operating expenses	1,030,952	1,103,802
Operating income (loss)	65,822	(189,271)
Nonoperating income:		
Investment income	3,332	23,929
Total nonoperating income	3,332	23,929
Change in net position	69,154	(165,342)
Net position—beginning of year	3,781,759	3,947,101
Net position—end of year	\$ 3,850,913	\$ 3,781,759

See notes to financial statements.

Solid Waste Agency of Lake County, Illinois

Statements of Cash Flows

Years Ended November 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from members and the County	\$ 1,076,715	\$ 878,321
Paid to suppliers for goods and services	(485,261)	(709,857)
Paid to employees for services	(584,847)	(466,697)
Net cash provided by (used in) operating activities	6,607	(298,233)
Cash flows from investing activities:		
Investment income	3,332	23,929
Net cash provided by investing activities	3,332	23,929
Net change in cash and cash equivalents	9,939	(274,304)
Cash and cash equivalents—beginning of year	2,236,843	2,511,147
Cash and cash equivalents—end of year	<u>\$ 2,246,782</u>	<u>\$ 2,236,843</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:		
Operating income (loss)	\$ 65,822	\$ (189,271)
Noncash items included in operating income (loss):		
Depreciation	79,067	79,068
Changes in assets and liabilities:		
Receivables	(20,186)	(36,150)
Prepaid insurance	(2,663)	(7,181)
Accounts payable	(36,886)	(163,482)
Accrued payroll	53,181	22,744
Deferred revenue	127	(60)
Pension related items	(131,855)	(3,901)
Net cash provided by (used in) operating activities	\$ 6,607	\$ (298,233)
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and investments	\$ 1,992,180	\$ 1,982,241
Equipment replacement fund	254,602	254,602
Cash and cash equivalents	\$ 2,246,782	\$ 2,236,843

See notes to financial statements.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO or the Agency), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

Reporting entity: SWALCO is a municipal corporation formed by Lake County and 43 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (one permanent seat for Lake County, two seats for members with 30,000 or more residents and six at large seats), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Following criteria established by GASB, SWALCO is not considered a component unit of Lake County.

Mission statement and objectives: SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County, and by meeting the following objectives:

- Implement and update the Lake County Solid Waste Management Plan.
- Facilitate an efficient, reliable and environmentally sound waste disposal system.
- Advise and assist SWALCO members regarding solid waste management issues.
- Educate the public regarding the implications of solid waste management options.
- Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

Funding: The Agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Lake County Health Department's enforcement program. The Agency also receives a yearly operations and maintenance fee from its members based on the number of households in each member community.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting and financial statement presentation: SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position:

Deposits: For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

Receivables/payables: Receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO. Breakdown of accounts receivable is as follows:

	2021	2020
Statutory fee receivable	\$ 172,023	\$ 151,964
Interest receivable	142	15
Total receivables	<u>\$ 172,165</u>	<u>\$ 151,979</u>

SWALCO anticipates no issues with collections from member communities and others. As such, no allowance for uncollectible accounts is considered necessary.

Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

Restricted Assets

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Designated assets: During fiscal year 2009, the Agency authorized a replacement account to fund any future replacement of capital items. The Agency authorized an increase in this account in fiscal 2015 to \$500,000. As of both November 30, 2021 and 2020, the Agency had designated assets of \$254,602.

Capital assets: Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the estimated acquisition value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5-10
Buildings	30
Office furniture and equipment	2-10

Pensions: For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF or the Fund) and additions to / deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows of resources: A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred inflows of resources: A deferred inflow of resources represents an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that future time.

Revenues and expenses: SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 2. Deposits

Cash deposits and short-term investments represent both operating cash accounts held by banks and investments with the investment custodian. SWALCO considers fixed income securities with a maturity of 12 months or less to be short-term investments. The table below presents SWALCO's combined total deposits and short-term investments as of November 30, 2021 and 2020.

	2021	2020
Deposits with banks	\$ 518,450	\$ 636,843
Short-term investments	1,728,332	1,600,000
Total deposits and short-term investments	<u>\$ 2,246,782</u>	<u>\$ 2,236,843</u>

Custodial credit risk is the risk that in the event of a financial institution failure, SWALCO's deposits may not be returned to them. SWALCO is appropriately collateralized for all deposits and, therefore, is not exposed to custodial credit risk.

Note 3. Changes in Capital Assets

A summary of changes in capital assets for 2021 follows:

	Balance December 1, 2020	Additions	Retirements	Balance November 30, 2021
Capital assets not being depreciated:				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Capital assets being depreciated:				
Land improvements	266,606	-	-	266,606
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	188,633	-	-	188,633
Total capital assets being depreciated	<u>2,133,579</u>	<u>-</u>	<u>-</u>	<u>2,133,579</u>
Less: accumulated depreciation	<u>(1,397,337)</u>	<u>(79,067)</u>	<u>-</u>	<u>(1,476,404)</u>
Net capital assets	<u>\$ 902,459</u>	<u>\$ (79,067)</u>	<u>\$ -</u>	<u>\$ 823,392</u>

A summary of changes in capital assets for 2020 follows:

	Balance December 1, 2019	Additions	Retirements	Balance November 30, 2020
Capital assets not being depreciated:				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Capital assets being depreciated:				
Land improvements	266,606	-	-	266,606
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	188,633	-	-	188,633
Total capital assets being depreciated	<u>2,133,579</u>	<u>-</u>	<u>-</u>	<u>2,133,579</u>
Less: accumulated depreciation	<u>(1,318,269)</u>	<u>(79,068)</u>	<u>-</u>	<u>(1,397,337)</u>
Net capital assets	<u>\$ 981,527</u>	<u>\$ (79,068)</u>	<u>\$ -</u>	<u>\$ 902,459</u>

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 4. Net Position

GASB No. 34 requires the classification of net position into three components – net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. SWALCO has no debt outstanding as of November 30, 2021 or 2020.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 5. Contingencies and Commitments

Contingent liabilities: Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

Landfill contracts: SWALCO has executed waste disposal capacity agreements with seven landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their agreed to terms. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreements are available from SWALCO offices.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 6. Risk Management

SWALCO is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Note 7. Employee Retirement System

Plan description: The Agency's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Agency's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at www.imrf.org.

Benefits provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 7. Employee Retirement System (Continued)

Employees covered by benefit terms: As of December 31, 2020 and 2019, the following employees were covered by the benefit terms:

	2020	2019
Retirees and beneficiaries currently receiving benefits	2	2
Inactive plan members entitled to but not yet receiving benefits	2	2
Active plan members	5	5
Total	9	9

Contributions: As set by statute, the Agency's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Agency's annual contribution rate for calendar years 2020 and 2019 was 0.89% and 0.83%, respectively. SWALCO also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net pension asset: The Agency's net pension asset was measured as of December 31, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For **Non-disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2000.
- For **Disabled Retirees**, the Pub 2010, amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 7. Employee Retirement System (Continued)

- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Projected Returns / Risk	
		One Year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	6.35 %	5.00 %
International equity	18.0	7.65	6.00
Fixed income	28.0	1.40	1.30
Real estate	9.0	7.10	6.20
Alternative investments	7.0		
Private equity	-	10.35	6.95
Commodities	-	3.90	2.85
Cash equivalents	1.0	0.70	0.70
	<u>100.0 %</u>		

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

- The long-term expected rate of return (7.25%) on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate (2.00%) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

IMRF's fiduciary net position as of December 31, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate and the resulting single discount rate of 7.25%.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 7. Employee Retirement System (Continued)

Changes in net pension asset: The following table shows the components of the Agency's annual pension asset and related plan fiduciary net position for the calendar years ended December 31, 2020 and 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2018	\$ 2,633,990	\$ 2,942,120	\$ (308,130)
Changes for the year:			
Service cost	49,143	-	49,143
Interest on the total pension liability	188,842	-	188,842
Differences between expected and actual experience of the total pension liability	(18,492)	-	(18,492)
Changes of assumptions	-	-	-
Contributions - employer	-	3,346	(3,346)
Contributions - employees	-	19,064	(19,064)
Net investment income	-	571,087	(571,087)
Benefit payments, including refunds of employee contributions	(107,688)	(107,688)	-
Other (net transfer)	-	2,197	(2,197)
Net changes	111,805	488,006	(376,201)
Balances at December 31, 2019	2,745,795	3,430,126	(684,331)
Changes for the year:			
Service cost	49,114	-	49,114
Interest on the total pension liability	196,859	-	196,859
Differences between expected and actual experience of the total pension liability	24,396	-	24,396
Changes of assumptions	4,870	-	4,870
Contributions - employer	-	3,705	(3,705)
Contributions - employees	-	20,081	(20,081)
Net investment income	-	499,809	(499,809)
Benefit payments, including refunds of employee contributions	(110,103)	(110,103)	-
Other (net transfer)	-	22,909	(22,909)
Net changes	165,136	436,401	(271,265)
Balances at December 31, 2020	\$ 2,910,931	\$ 3,866,527	\$ (955,596)

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 7. Employee Retirement System (Continued)

Sensitivity of the net pension asset to changes in the discount rate: The following presents the plan's net pension asset, calculated using a single discount rate of 7.25%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is 1.0% lower or 1.0% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension (asset)	\$ (642,013)	\$ (955,596)	\$(1,212,937)

Pension expense (income), deferred outflows of resources, and deferred inflows of resources related to pensions: For the years ended November 30, 2021 and 2020, the Agency recognized pension income of \$127,875 and \$234, respectively. At November 30, 2021 and 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	November 30, 2021		November 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,489	\$ 8,894	\$ 18,970	\$ 15,454
Changes of assumptions	19,125	2,999	33,205	19,983
Net difference between projected and actual earnings on pension plan investments	-	309,701	-	153,033
Total deferred amounts to be recognized in pension expense in future periods	45,614	321,594	52,175	188,470
Employer contributions made subsequent to the measurement date	3,696	-	3,421	-
Total deferred amounts related to pensions	\$ 49,310	\$ 321,594	\$ 55,596	\$ 188,470

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 7. Employee Retirement System (Continued)

The Agency reported \$3,696 and \$3,421 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and this will be recognized as a reduction of net pension asset in the reporting years ended November 30, 2021 and 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	Net Deferred Outflows / Inflows of Resources
Year ending December 31:	
2021	\$ (74,570)
2022	(32,570)
2023	(118,157)
2024	(50,683)
Total	<u>\$ (275,980)</u>

Note 8. Other Postemployment Benefits (OPEB)

All full-time employees participate in a single-employer self-insured health care plan administered through Lake County. The Plan provides limited health care coverage at 100% of the active premium rate. The State of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees and surviving spouses at the same premium rate for active employees. Therefore, an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits. The actuarial valuation of the plan is computed for the County as a whole. The Agency's portion of the liability is not considered material to the financial statements.

Further details regarding the County's entire commitment to the health care plan can be found in the Lake County, Illinois financial statements.

Note 9. Related Parties

SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 10. Pronouncements Issued But Not Yet Adopted

The GASB recently issued the following statements:

GASB Statement No. 87, *Leases*, will be effective for the Agency beginning with its year ending November 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of Construction Period*, will be effective for the Agency beginning with its year ending November 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Agency beginning with its year ending November 30, 2023. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91, a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, *Omnibus 2020*, will be effective for the Agency beginning with its year ending November 30, 2022. This Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the Agency beginning with its year ending November 30, 2022. As a result of global reference rate reform, the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. This Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate. The removal of LIBOR as an appropriate benchmark interest rate will be effective for the Agency beginning with its year ending November 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the Agency beginning with its year ending November 30, 2023. This Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement will be effective for the Agency with its year ending November 30, 2023.

Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements

Note 10. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the Agency with its year ending November 30, 2022.

Management of the Agency is still in the process of determining what effect, if any, the above statements will have on the financial statements and related disclosures.

Note 11. Subsequent Events

The Agency evaluated subsequent events through REPORT DATE, for events requiring recording or disclosure in the financial statements. No significant events were noted.

Required Supplementary Information

Solid Waste Agency of Lake County, Illinois

**Statement of Revenues, Expenses and Changes in Net Position, Budget and Actual
Year Ended November 30, 2021**

	Original and Final Budget	Actual	Variance
Operating revenues:			
County surcharge - current	\$ 702,850	\$ 714,542	\$ 11,692
Member fees	287,275	287,324	49
Other miscellaneous	95,890	94,908	(982)
Total operating revenues	<u>1,086,015</u>	<u>1,096,774</u>	<u>10,759</u>
Operating expenses:			
Personnel services	611,713	634,021	(22,308)
Operational services	33,500	31,987	1,513
Contractual services	487,079	393,721	93,358
Buildings and equipment maintenance	23,640	20,004	3,636
Pension expense (income)	4,191	(127,848)	132,039
Depreciation	1	79,067	(79,066)
Total operating expenses	<u>1,160,124</u>	<u>1,030,952</u>	<u>129,172</u>
Operating income (loss)	<u>(74,109)</u>	<u>65,822</u>	<u>139,931</u>
Nonoperating income:			
Investment income	1,630	3,332	1,702
Income (loss) before transfers	(72,479)	69,154	141,633
Transfers to other funds			
Transfers out	(224,700)	-	224,700
Change in net position	<u>\$ (297,179)</u>	<u>69,154</u>	<u>\$ 366,333</u>
Net position - beginning of year		<u>3,781,759</u>	
Net position - end of year		<u>\$ 3,850,913</u>	

Solid Waste Agency of Lake County, Illinois

**Statement of Revenues, Expenses and Changes in Net Position, Budget and Actual
Year Ended November 30, 2020**

	Original and Final Budget	Actual	Variance
Operating revenues:			
County surcharge - current	\$ 751,300	\$ 587,258	\$ (164,042)
Member fees	287,254	287,275	21
Other miscellaneous	86,390	39,998	(46,392)
Total operating revenues	<u>1,124,944</u>	<u>914,531</u>	<u>(210,413)</u>
Operating expenses:			
Personnel services	485,753	485,710	43
Operational services	46,100	15,033	31,067
Contractual services	616,313	511,718	104,595
Buildings and equipment maintenance	28,520	121,443	16,077
Pension expense (income)	3,818	(170)	3,988
Depreciation	-	79,068	(79,068)
Total operating expenses	<u>1,180,504</u>	<u>1,103,802</u>	<u>76,702</u>
Operating loss	<u>(55,560)</u>	<u>(189,271)</u>	<u>(133,711)</u>
Nonoperating income:			
Investment income	30,120	23,929	(6,191)
Change in net position	<u>\$ (25,440)</u>	<u>(165,342)</u>	<u>\$ (139,902)</u>
Net position - beginning of year		<u>3,947,101</u>	
Net position - end of year		<u>\$ 3,781,759</u>	

Solid Waste Agency of Lake County, Illinois

**Note to Required Supplementary Information
For the Years Ended November 30, 2021 and 2020**

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the accrual basis of accounting. Depreciation expense is not budgeted.

Solid Waste Agency of Lake County, Illinois

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Illinois Municipal Retirement Fund

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ 49,114	\$ 49,143	\$ 45,265	\$ 47,951	\$ 47,865	\$ 44,802	\$ 48,289
Interest on the total pension liability	196,859	188,842	178,364	175,349	168,268	162,272	150,456
Differences between expected and actual experience	24,396	(18,492)	39,064	(6,760)	(20,058)	(76,621)	(113,552)
Changes of assumptions	4,870	-	68,379	(70,935)	-	-	76,878
Benefit payments, including refunds of member contributions	(110,103)	(107,688)	(105,261)	(102,863)	(100,563)	(3,502)	(2,077)
Net change in total pension liability	165,136	111,805	225,811	42,742	95,512	126,951	159,994
Total pension liability - beginning	2,745,795	2,633,990	2,408,179	2,365,437	2,269,925	2,142,974	1,982,980
Total pension liability - ending (a)	\$ 2,910,931	\$ 2,745,795	\$ 2,633,990	\$ 2,408,179	\$ 2,365,437	\$ 2,269,925	\$ 2,142,974
Plan fiduciary net position:							
Employer contributions	\$ 3,705	\$ 3,346	\$ 3,309	\$ 3,441	\$ 3,416	\$ 3,751	\$ 29,569
Employee contributions	20,081	19,064	18,850	18,222	17,879	17,770	16,266
Net investment income	499,809	571,087	(192,179)	513,968	185,576	14,083	165,146
Benefit payments, including refunds of member contributions	(110,103)	(107,688)	(105,261)	(102,863)	(100,563)	(3,502)	(2,077)
Other (net transfer)	22,909	2,197	42,924	(38,435)	9,372	(175,295)	(86,686)
Net change in plan fiduciary net position	436,401	468,006	(232,357)	394,333	115,680	(143,193)	122,218
Plan fiduciary net position - beginning	3,430,126	2,942,120	3,174,477	2,780,144	2,664,464	2,807,657	2,685,439
Total fiduciary net position - ending (b)	\$ 3,866,527	\$ 3,430,126	\$ 2,942,120	\$ 3,174,477	\$ 2,780,144	\$ 2,664,464	\$ 2,807,657
Employer's net pension liability (asset) - ending (a) - (b)	\$ (955,596)	\$ (684,331)	\$ (308,130)	\$ (766,298)	\$ (414,707)	\$ (394,539)	\$ (664,683)
Plan fiduciary net position as a percentage of the total pension asset	132.83%	124.92%	111.70%	131.82%	117.53%	117.38%	131.02%
Covered-employee payroll	\$ 446,239	\$ 423,651	\$ 418,887	\$ 404,931	\$ 397,304	\$ 394,891	\$ 366,905
Employer's net pension asset as a percentage of covered-employee payroll	(214.14)%	(161.53)%	(73.56)%	(189.24)%	(104.38)%	(99.91)%	(181.16)%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Solid Waste Agency of Lake County, Illinois

Schedule of Employer Contributions Illinois Municipal Retirement Fund

Calendar Year Ended December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2020	\$ 3,705	\$ 3,705	\$ -	\$ 447,903	0.83%
2019	3,346	3,346	-	423,651	0.79%
2018	3,309	3,309	-	418,887	0.79%
2017	3,442	3,441	1	404,931	0.85%
2016	3,417	3,416	1	397,304	0.86%
2015	3,751	3,751	-	394,891	0.95%
2014	29,569	29,569	-	366,905	8.06%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial cost method: Aggregate entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period
Asset valuation method: 5-year smoothed market; 20% corridor
Wage growth: 3.25%
Price inflation: 2.50%
Salary increases: 3.35% to 14.25%, including inflation
Investment rate of return: 7.25%
Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information: There were no benefit changes during the year.

A -2 . Intergovernmental Agreement with IEPA

ISSUE: Whether to approve the Intergovernmental Agreement with the IL Environmental Protection Agency (IEPA) to establish a long term household hazardous waste collection program.

RECOMMENDATION: SWALCO staff recommends approval of the Intergovernmental Agreement.

BACKGROUND: The Agency's HCW program relies on its relationship with IEPA to cover the costs of final disposal/management of the HCW we collect and to take generator status of the waste thus helping to shield the Agency from environmental liability. This relationship is formally outlined in the attached Intergovernmental Agreement which is now up for renewal. Alex and Walter worked with IEPA (Derke also reviewed the Agreement) to make some minor changes to the insurance provisions and to make clear that pallets are a shipping item that must be covered by the IEPA's vendor. The Agreement has a term from June 6, 2022 to June 30, 2028 and can be terminated without cause by either party with 60 days notice.

The Agency received a letter from the IEPA this month that provides us with a \$400,000 cap for our HCW disposal costs during the current State fiscal year which should be more than adequate for our program costs.

ENCLOSED DOCUMENTS: Intergovernmental Agreement

STAFF: Walter S. Willis, Executive Director and Alex Ballesteros, HCW Program Manager

INTERGOVERNMENTAL AGREEMENT

BETWEEN THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY AND THE SOLID WASTE AGENCY OF LAKE COUNTY

TO ESTABLISH A LONG TERM HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM

THIS INTERGOVERNMENTAL AGREEMENT (“AGREEMENT”) is entered into this _____ day of _____, 2022, between the Solid Waste Agency of Lake County (“SWALCO”), with offices located at 1311 North Estes Street, Gurnee, Illinois 60031, and the Illinois Environmental Protection Agency (“IEPA”), 1021 North Grand Avenue East, Springfield, Illinois 62794-9276, an agency of the Executive Branch of the government of the State of Illinois created by the Illinois General Assembly pursuant to Section 4 of the Illinois Environmental Protection Act, 415 ILCS 5/4. SWALCO and IEPA are together hereinafter referred to as “Parties” and sometimes individually as “Party”.

RECITALS

WHEREAS, Section 5 of the Intergovernmental Cooperation Act (“ICA”) provides, in part, that “[a]ny one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform,” 5 ILCS 220/5; and

WHEREAS, SWALCO and IEPA are public agencies within the meaning of Section 2 of the ICA, 5 ILCS 220/2; and

WHEREAS, SWALCO was established under the ICA, to implement the Lake County Solid Waste Management Plan; and

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois encourages and provides for municipalities and units of local government to cooperate, contract, and otherwise associate with other agencies for their mutual benefit, and expressly authorizes units of local government to contract with the State to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or ordinance; and

WHEREAS, the Illinois General Assembly has found that there is a need for household hazardous waste (“HHW”) collection centers throughout the State that can be operated to augment existing and future hazardous waste storage facilities, pursuant to 415 ILCS 90/2; and

WHEREAS, Section 22.16b(d) of the Illinois Environmental Protection Act mandates that IEPA establish HHW collection centers in appropriate places in the State to ensure that said wastes

collected are properly disposed of, and authorizes IEPA to contract with other parties for that purpose, 415 ILCS 5/22.16b(d); and

WHEREAS, SWALCO has been collecting HHW at its mobile and satellite collection sites and transporting HHW to its primary collection center facility, located at 1311 North Estes Street in Gurnee, Illinois ("FACILITY") for temporary storage and transfer to permitted disposal sites; and

WHEREAS, SWALCO has also been accepting public drop-off of HHW at the FACILITY for temporary storage and transfer to permitted disposal sites; and

WHEREAS, SWALCO and the Village of Gurnee have signed a Host Agreement concerning the FACILITY pursuant to 415 ILCS 5/22.16b(d); and

WHEREAS, in order to protect against environmental damage and harm to public health, safety, and welfare that may result from improper and unsafe transportation, treatment, storage, disposal, and dumping of commonly used HHW, the Lake County Board, and SWALCO Board of Directors have determined to provide a HHW collection and disposal program for residents as part of the Lake County Solid Waste Management Plan; and

WHEREAS, IEPA has entered a Contract with an HHW hauler ("CONTRACTOR") to pick up, transport, and dispose of HHW from the FACILITY; to provide supplies and materials to SWALCO for the operation of its HHW program; and to provide training to SWALCO's collection personnel ("COLLECTION PERSONNEL") as provided herein (collectively referred to as "CONTRACTOR SERVICES"); and

WHEREAS, IEPA and SWALCO have mutually agreed to continue efforts to fulfill the objectives of the 2017 "INTERGOVERNMENTAL AGREEMENT BETWEEN THE SOLID WASTE AGENCY OF LAKE COUNTY AND THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY TO ESTABLISH A LONG TERM HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM", which is set to expire on June 5, 2022.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties agree that:

1.0 RECITALS INCORPORATED

The foregoing recitals are incorporated by reference as though fully set forth herein.

1.5 DEFINITIONS

"Act" means the Environmental Protection Act. [415 ILCS 5]

"Collection center" means a secured site approved by IEPA to be used as a base for a hazardous waste collection facility. [415 ILCS 90/3]

“Hazardous waste” means a waste, or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause or significantly contribute to an increase in mortality or an increase in serious, irreversible, or incapacitating reversible, illness; or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed, and which has been identified, by characteristics or listing, as hazardous pursuant to Section 3001 of the Resource Conservation and Recovery Act of 1976, or pursuant to Illinois Pollution Control Board regulations. [415 ILCS 5/3.220]

“Household hazardous waste” or “HHW” means a consumer disposed waste product intended for household use generally containing constituents that make its disposal in municipal waste landfills or incinerators undesired. Household hazardous waste includes, but is not limited to, the following:

- (1) Waste Oil.
- (2) Petroleum Distillate-Based Solvents.
- (3) Oil based liquid paint, paint strippers, and paint thinners.
- (4) Herbicides and pesticides except, for purposes of the Act, antimicrobial and disinfectant products are excluded.

“Mobile collection site” means a one-day household waste collection event operated in accordance with Section 22.55(d) of the Illinois Environmental Protection Act where the public may drop off HHW and from where SWALCO shall transport collected HHW to the FACILITY. The location of SWALCO’s mobile collection sites may vary from year-to-year.

“Person” means individual, trust, firm, joint stock company, joint venture, consortium, commercial entity, corporation (including a government corporation), partnership, association, state, municipality, commission, political subdivision of a state, or any interstate body, including the United States government and each department, agency and instrumentality of the United States. [415 ILCS 5/58.2]

“Satellite collection site” means a collection center where the public may drop off HHW and from where SWALCO shall transport collected HHW to the FACILITY.

2.0 TERM OF THIS AGREEMENT

The term of this AGREEMENT shall commence on June 6, 2022, and expire on June 30, 2028, unless sooner terminated as provided herein (“Term”).

3.0 FACILITY LOCATION, DESIGN, CONSTRUCTION AND OPERATION

- 3.1 At no cost to IEPA, SWALCO shall operate its HHW collection program as herein provided at the FACILITY and any mobile collection sites. Any change in the location of the FACILITY shall be expressly contingent and subject to approval by IEPA in writing within forty-five (45) calendar days.

- 3.2 SWALCO shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, environmental laws and regulations and obtain all necessary permits and local approvals required for capital improvements to, development of, and operation of the FACILITY including, but not limited to, IEPA non-hazardous waste storage permits. Waste shall not be accepted or stored unless all necessary permits and local approvals have been obtained. SWALCO shall maintain valid permits for the FACILITY and comply with all requirements therein.
- 3.3 The FACILITY shall include one or more storage/containment building(s) for the HHW that, at minimum, complies with all permit criteria for design, construction and operation of such structures, as provided at 35 Ill. Adm. Code 807, or any superseding regulations, and any other applicable regulations. All operations and any modification or expansion of the FACILITY and storage/containment building(s) shall be in compliance with applicable laws, regulations, permit requirements, and any applicable local requirements. In addition to compliance with permit criteria, the FACILITY shall satisfy the following requirements:
- 3.3.a. The size and configuration of the FACILITY shall allow for efficient unloading, segregating, and storage of wastes and easy entry and exit for all hazardous waste collection firm (CONTRACTOR) vehicles. Traffic shall be directed to move safely within the FACILITY and to prevent traffic hazards in the areas surrounding the FACILITY.
- 3.3.b. All HHW unloading zones, handling areas, and storage areas shall be located on a level, intact asphalt or concrete surface.
- 3.3.c. The site on which the FACILITY is located shall be properly fenced to completely surround the active portion of the FACILITY. Gates to control entry to the FACILITY shall be functional at all times and secured during non-operating hours. Except for designated unloading areas, residents shall not be allowed access to the active portion of the FACILITY.
- 3.3.d. All collected HHW shall be placed in a storage building located at the FACILITY that is lockable, vented, labeled, properly secured, and in compliance with all permit requirements. All collected HHW shall be placed inside the storage building at the close of each collection day.
- 3.3.e. SWALCO shall appoint a local project manager to be the main contact with IEPA. That person shall be an employee or contractual employee of SWALCO, a high school graduate, and possess credit for at least eight semester hours of college-level chemistry. SWALCO shall promptly notify IEPA if the project manager is changed and provide a resume detailing the new project manager's education and experience.

- 3.3.f. All COLLECTION PERSONNEL shall obtain a physician's certification of physical ability to handle waste materials, wear safety equipment, and perform light physical labor. All COLLECTION PERSONNEL shall successfully complete the training required under Section 7.0. Except as provided in Section 7.0, SWALCO shall be responsible for all costs for COLLECTION PERSONNEL including, but not limited to, salary, benefits, travel, and personal protective equipment.
- 3.3.g. SWALCO shall maintain safety and emergency contingency plans to protect the health and safety of COLLECTION PERSONNEL, IEPA personnel, the CONTRACTOR, and the public at the FACILITY. A red bulletin board shall be placed in a conspicuous area of the FACILITY, within clear view from the unloading area, and have the phrase "Emergency Information" printed large enough to be seen from the unloading zone and in contrasting color. At a minimum, the following shall be attached to the bulletin board:
- i) Location of the nearest telephone or other communication device;
 - ii) Phone numbers for all emergency services including ambulance, hospital, poison information center, fire department, police department, sheriff, airport and state police; and
 - iii) A map to the nearest 24-hour medical center.

The FACILITY shall be equipped with safety equipment (e.g., personal protective gear, eye wash, fire extinguishers, first aid supplies) necessary to prevent or treat injury to COLLECTION PERSONNEL and public participants. The FACILITY shall be equipped with at least one accessible communication device (e.g., telephone, cellular telephone, two-way radio) to summon emergency assistance in case of an accident. SWALCO shall be responsible for securing and maintaining the safety and emergency contingency plans for the FACILITY. All COLLECTION PERSONNEL shall be familiar with the plans and comply with them fully.

- 3.3.h. SWALCO shall report quarterly to IEPA and maintain legible, detailed, and accurate records and reports of all activities completed at the FACILITY and collection sites including:
- i) Written summaries of the dates of public drop-off collections at the FACILITY, numbers of participants, amounts and types of wastes received, a drum or cubic yard box inventory, and the manifest numbers of the drums, cubic yard boxes, or other waste receptacles removed from the FACILITY in accordance with this AGREEMENT.
 - ii) Written summaries of any and all incidents at the FACILITY that involve releases of wastes, spills, injuries, fires or explosions;

- iii) Logs of all publicity types utilized and methods of determining the effectiveness of each;
- iv) Proposed changes and suggested improvements for the collection program; and
- v) Such other records, reports, and documents as may be reasonably required by IEPA related to the HHW collection activities and operations.

4.0 PARTICIPATION AND HOURS OF OPERATION OF THE FACILITY.

- 4.1 SWALCO, at its sole expense, shall provide year-round collection of HHW through collections held at mobile sites selected by SWALCO, the permitted satellite collection site, and public drop-off collections at the FACILITY. Mobile collections shall remain open to the public at least six (6) hours per day and shall be supervised at all times by trained personnel. Public drop-off collections at the FACILITY shall be scheduled for the maximum hours per month allowed under the permit or ten (10) hours per week, whichever is less.
- 4.2 Operating Hours
 - 4.2.1 The FACILITY shall be open to the public throughout the year and operate in accordance with the schedule provided to IEPA, in writing, on or before the execution of this AGREEMENT and each July 1st thereafter.
 - 4.2.2 Mobile Collection Sites may be utilized at SWALCO's discretion. If utilized, Mobile Collection Sites shall be available in accordance with a schedule submitted to the IEPA.
- 4.3 SWALCO may modify the days and hours during which the FACILITY operates upon written approval of IEPA, notwithstanding the provisions of Sections 4.1 and 4.2 above. All written approvals from IEPA which relate to hours of operation of the FACILITY shall expire at the end of the state fiscal year ("SFY") in which the approval was authorized.
- 4.4 HHW collection services provided by SWALCO at the FACILITY and any mobile collection site shall be available to any resident of the State of Illinois.
- 4.5 Unless otherwise provided in applicable permits, this AGREEMENT or subsequent modifications, all facets of mobile collection site and satellite collection site operations shall be left solely within the discretion and responsibility of SWALCO. IEPA shall have no legal or financial liability for any collection site activities or any acts or omissions of those planning or conducting such activities.
- 4.6 Subject to written approval by the Director of IEPA and upon the request of SWALCO, SWALCO may accept for the temporary storage at the FACILITY and

pick-up, transportation and disposal by IEPA'S CONTRACTOR, HHW that has been collected and delivered to the FACILITY by other government operated or sponsored entities.

- 4.6.a. Any such HHW received by SWALCO shall be subject to Sections 3.3.d, 3.3h, 4.4, 5.0, 6.0 and 8.0 of this AGREEMENT as if the HHW had been collected by SWALCO itself.
- 4.6.b. The Director's approval may be subject to conditions deemed appropriate within the sole discretion of the Director and conditions as otherwise agreed upon by the Parties.
- 4.6.c. The Director may, within the sole discretion of the Director, withdraw this approval in writing at any time subject only to the requirement that the CONTRACTOR shall pick-up, transport and dispose of acceptable HHW that has been delivered to the FACILITY before the date of the withdrawal specified in the notice. IEPA shall provide as much advance notice of the withdrawal as practicable. Notification of the withdrawal shall be provided in accordance with Section 12.0 of this AGREEMENT.
- 4.5.d. The Director's approval or withdrawal shall be considered an amendment or modification for purposes of Section 13.0 of this AGREEMENT.

5.0 TRANSPORTATION AND DISPOSAL

- 5.1 Subject to the funding, appropriations, suspension, and termination provisions set forth in Section 10, IEPA shall: i) provide a CONTRACTOR to transport and dispose of the HHW collected by SWALCO and stored at the FACILITY; and ii) cause the CONTRACTOR to provide all necessary packing materials, supplies and shipping labels for the HHW in accordance with Section 5.3 below. Notwithstanding any provision in this AGREEMENT to the contrary, IEPA reserves the right to change the CONTRACTOR.
- 5.2 SWALCO shall be responsible for, and pay the costs of, the collection of HHW and the transportation of HHW from the mobile and satellite collection sites to the FACILITY.
- 5.3 All HHW received at the FACILITY for pickup, transportation, and disposal by the CONTRACTOR shall be packed for transportation by COLLECTION PERSONNEL in accordance with IEPA's specifications for its CONTRACTOR. In the IEPA's sole discretion, the CONTRACTOR may reject improperly packed wastes or unacceptable wastes.
- 5.4 Notwithstanding any provision to the contrary in this AGREEMENT, the frequency with which the CONTRACTOR picks up HHW from the FACILITY

shall be determined by SWALCO, provided that SWALCO uses its best efforts to minimize CONTRACTOR's SERVICES costs, and further provided that SWALCO operates the FACILITY and maintains the HHW in a safe manner and in accordance with applicable laws and permit requirements.

- 5.5 The CONTRACTOR shall provide all drums, materials for packaging such as pallets, and transportation for the packaged wastes to the treatment or disposal sites designated by IEPA. The CONTRACTOR shall inspect packing lists to ensure they meet all applicable requirements, check drums for proper packing for transportation, seal and label drums, and load them for shipment. The CONTRACTOR shall provide replacements for placards and labels, shipping containers, manifests, packing materials, and any other necessary supplies.

6.0 ACCEPTABLE AND UNACCEPTABLE WASTES

- 6.1 Except as provided in Section 6.2, IEPA shall authorize its CONTRACTOR to accept the following HHW from the FACILITY: hazardous substances, including but not limited to aerosol containers, corrosives, oxidizers, solvents, oil-based paints, inorganic poison solids, organic poisons, pharmaceuticals that are not controlled substances, pesticides, waste oils, Pentachlorophenol, Silvex, 2,4,5-Trichlorophenol, household batteries, fluorescent tubes, and other unknown wastes (any wastes exhibiting undetermined characteristics). IEPA, at its sole expense, shall require its CONTRACTOR to provide pickup, transportation, disposal, and related supplies only for the wastes listed in this Section 6.1.
- 6.2 IEPA shall prohibit its CONTRACTOR from accepting ammunition, explosives, radioactive materials, lead-acid batteries, latex paints, compressed gas containers (other than aerosol containers), controlled substances, potentially infectious medical wastes, and non-special, non-contaminated wastes, including trash and non-hazardous debris. IEPA will not pay its CONTRACTOR and is not otherwise responsible for the pickup, transportation, disposal and related supplies for the wastes and materials set forth in this Section 6.2.
- 6.3 SWALCO shall pursue options to recycle empty paint cans and all other non-hazardous waste (e.g., cardboard boxes) delivered to the FACILITY. SWALCO may secure outlets (e.g., non-profit groups, charitable organizations) for any unopened, useable consumer products brought to the FACILITY for disposal. IEPA will only pay its CONTRACTOR for the pickup, transportation, disposal and related supplies for the acceptable wastes set forth in Section 6.1 above.
- 6.4 SWALCO shall reject all wastes from business, institutional, industrial, agricultural, government, or commercial entities unless otherwise agreed in writing by IEPA and SWALCO, if SWALCO is aware that such wastes have been brought to the FACILITY. SWALCO shall use reasonable efforts to determine whether wastes are from business, institutional, industrial, agricultural, government, or

commercial entities. Failure of SWALCO to use such reasonable efforts to make such determinations will result in SWALCO being responsible for all costs attributable to such wastes, including pickup, transportation, disposal, and related supplies for all such wastes.

7.0 PERSONNEL TRAINING

- 7.1 Subject to the funding, appropriations, suspension, and termination provisions set forth in Section 10, IEPA, at its sole expense, shall require the CONTRACTOR to provide training for the COLLECTION PERSONNEL in the proper method of HHW collection operations at the FACILITY and in all aspects of receiving, identifying, segregating, and packing the wastes in a proper and safe manner.
- 7.2 The training shall consist of a minimum two-day course of no less than fifteen (15) hours including:
 - 7.2.a. Federal and state legal requirements pertaining to HHW handling;
 - 7.2.b. The methods of collecting HHW from the public and identifying unknown materials;
 - 7.2.c. Bulking procedures, the use of different types of containers, record keeping, storage procedures, and fire safety and emergency precautions and procedures;
 - 7.2.d. Procedures for waste shipment, including packaging, labeling, and manifest preparation;
 - 7.2.e. Procedures for long-term record keeping, including records of wastes received, manifests, and disposal information;
 - 7.2.f. The development of an emergency plan addressing spill clean-up and first aid in the event of a release or spill, and police and fire protection; and
 - 7.2.g. Field practice in waste segregation, bulking, packaging, and record keeping.
- 7.3 IEPA shall not be responsible for paying any salaries, wages, benefits, and miscellaneous expenses of SWALCO's COLLECTION PERSONNEL undergoing training or assigned to the FACILITY.

8.0 LIABILITY, INDEMNIFICATION AND INSURANCE REQUIREMENTS

- 8.1 Indemnification

8.1.1 SWALCO shall indemnify and hold harmless IEPA, the State of Illinois ("State"), and their respective officials, officers, employees, and authorized representatives (collectively, "Indemnified Parties") for any and all liability, claims, damages, and cleanup costs arising directly or indirectly out of SWALCO's operation of its HHW program or SWALCO's use or operation of the FACILITY, including, but not limited to, exposure to wastes, spills or releases of wastes, fires, or explosions resulting from acts or omissions caused by, arising out of, or occurring in connection with any activities performed at the FACILITY by SWALCO's employees, contractors, subcontractors, representatives, or agents, and the clean-up costs and restoration work attributable thereto. However, nothing herein abrogates, eliminates, or otherwise affects any claim or defense SWALCO may have against any individual, entity, contractor (including IEPA's CONTRACTOR providing CONTRACTOR SERVICES), or subcontractor, other than the Indemnified Parties. In addition, nothing contained herein shall be construed as a limitation or waiver of defenses available to SWALCO, including, but not limited to, the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101, et seq.), as to third party claims.

8.1.2 Notwithstanding anything stated in this AGREEMENT to the contrary, SWALCO shall not assume any responsibility for lawsuits, damages, attorney's fees or costs that are proximately caused by the sole negligence of the Indemnified Parties or IEPA's CONTRACTOR providing CONTRACTOR SERVICES.

8.2 Insurance

8.2.1 During the Term of this AGREEMENT, SWALCO shall self-insure against all claims with limits of not less than two million dollars (\$2,000,000) per occurrence for environmental liability and not less than one million dollars (\$1,000,000) per occurrence for general building liability (and self-insurance against worker's compensation claims with coverages required by law). SWALCO's self-insurance shall cover claims, liabilities, and damages for all risks of collecting HHW and operating SWALCO's HHW program, including but not limited to, any and all claims arising from acts or omissions by SWALCO, its agents, representatives, officers, officials, or employees related to the collection or management of HHW, use and operation of the FACILITY, and acts or omissions by third party participants in the collection program (except for IEPA's CONTRACTOR providing CONTRACTOR SERVICES), including, but not limited to, claims for damages and cleanup costs resulting from spills or releases of wastes, fires, or explosions that may occur during the conduct of any activity at the FACILITY.

- 8.2.2 SWALCO's self-insurance shall apply as primary insurance with respect to any other insurance or self-insurance afforded to the State or IEPA and shall not require exhaustion of any other coverage or tender of any claim or action to any other insurer providing coverage to the State or IEPA. Any insurance or self-insurance maintained by the State or IEPA shall be in excess of SWALCO's insurance and shall not contribute with it.
- 8.2.3 SWALCO shall cause each of its contractors, subcontractors, and consultants employed by or acting on behalf of SWALCO (if any) with respect to SWALCO's HHW program or operations to maintain insurance coverages acceptable to IEPA. When requested by IEPA, SWALCO shall furnish copies of certificates of insurance evidencing the types and amounts of coverages for any such contractors, subcontractors, and consultants.
- 8.3 SWALCO shall be the point of contact for IEPA concerning all issues relating to the AGREEMENT including, but not limited to, issues related to work subcontracted by SWALCO. SWALCO shall be solely responsible for subcontractors' adherence to all provisions of the AGREEMENT and for any claims or damages that may arise as a result of acts or omissions of any subcontractors. The subcontractor(s) agrees to hold harmless IEPA and must maintain comprehensive liability insurance naming SWALCO and IEPA as additional insured.
- 8.4 IEPA shall require the CONTRACTOR to maintain comprehensive liability insurance naming SWALCO and IEPA as additional insured and providing coverage and indemnifying SWALCO and IEPA against any claims for damages or cleanup costs relating to exposure to wastes, spills or releases of wastes, fires or explosions resulting from any acts or omissions caused by, arising out of, or occurring in connection with the CONTRACTOR picking up HHW from the FACILITY, transporting, or disposing of HHW.
- 8.5 IEPA shall become the generator of record and take title to the HHW picked up by the CONTRACTOR at the time IEPA or the CONTRACTOR signs the completed Uniform Hazardous Waste Manifest.

9.0 PUBLIC INFORMATION PROGRAM

- 9.1 SWALCO, at its sole expense, shall continue its HHW collection program for encouraging public participation and for informing and educating the public about alternatives to household hazardous materials, the proper disposal of these materials, and environmental and resource recovery issues.
- 9.2 IEPA's assistance shall be sought in improving the quality of information reaching SWALCO's residents relating to the importance of waste minimization and alternatives to using hazardous materials.

- 9.3 For the purpose of encouraging the appropriate recycling or disposal of latex paint at locations other than the FACILITY, SWALCO, at no cost to IEPA, shall develop and distribute brochures, leaflets, etc., including information concerning the proper use and storage of latex paint. Such information shall include, without limitation, alternative disposal methods and recycling opportunities.

10.0 SUSPENSION/REINSTATEMENT OR TERMINATION OF THIS AGREEMENT

10.1 Suspension/Reinstatement

- 10.1.1 "Suspend" or "Suspension" as used in this AGREEMENT means that the Parties shall temporarily cease performing their obligations under this AGREEMENT.
- 10.1.2 SWALCO shall provide not less than sixty (60) calendar days prior written notice to IEPA of its intent to suspend this AGREEMENT ("Notice of Suspension").
- 10.1.3 In addition to IEPA's right to suspend or terminate this AGREEMENT under Sections 10.2 and 10.3, IEPA may suspend this AGREEMENT by providing not less than sixty (60) calendar days prior written notice to SWALCO of its intent to suspend this AGREEMENT.
- 10.1.4 Notice of Suspension shall be made in accordance with Section 12.0.
- 10.1.5 IEPA, at its sole expense, subject to the appropriation and funding contingency in Section 10.3.1, shall provide CONTRACTOR SERVICES and related supplies for HHW collected and stored at the FACILITY up to, but not including, the effective date of suspension or termination regardless of when said HHW is finally disposed in the event that this AGREEMENT is suspended or terminated pursuant to Section 10.1.2 or Section 10.1.3.
- 10.1.6 In the event that this Agreement is suspended, IEPA shall update its website to reflect the suspension of the FACILITY's operations.
- 10.1.7 The Suspension may be rescinded and the obligations under this AGREEMENT reinstated ("Reinstated") by the written agreement of the Parties hereto. IEPA shall provide written notification to SWALCO of its desire to Reinstatement this AGREEMENT. IEPA and SWALCO shall agree upon a timeframe for Reinstatement of the services provided hereunder.
- 10.1.8 In the event that this AGREEMENT is reinstated, IEPA shall update its website to reflect the reinstatement of the FACILITY's operations.

10.1.9 Notwithstanding any other provision herein, the obligations set forth in Section 8 above shall remain in full force and effect during any Suspension of this AGREEMENT.

10.2 Termination

10.2.1 Either IEPA or SWALCO may terminate this AGREEMENT during the Term set forth in Section 2.0 or during any renewal thereof for any reason by providing not less than sixty (60) calendar days prior written notice of its intent to terminate to the other Party.

10.2.2 Notice of termination of the AGREEMENT shall be provided in accordance with the requirements of Section 12.0.

10.2.3 The right of termination set forth in Section 10.2.1 is in addition to IEPA's right to terminate the AGREEMENT as provided in Section 10.3.

10.2.4 IEPA, at its sole expense, subject to the appropriation and funding contingency in Section 10.3.1, shall provide CONTRACTOR SERVICES and related supplies for HHW collected and stored at the FACILITY up to, but not including, the effective date of termination, regardless of when the HHW is finally disposed in the event that this AGREEMENT is terminated pursuant to Section 10.2.1.

10.2.5 In the event that this AGREEMENT is terminated pursuant to paragraph 10.2.1 above, IEPA shall update its website to reflect the termination of the FACILITY's operations.

10.3 Suspension or Termination by IEPA for Insufficient Funds or Appropriations.

10.3.1 Notwithstanding any provision to the contrary in this AGREEMENT, the payments to CONTRACTOR and any other obligation provided or required by IEPA herein are expressly contingent upon and subject to the availability of sufficient funds appropriated for the AGREEMENT and the services and supplies being paid for hereunder by IEPA. IEPA may terminate or suspend this AGREEMENT, in whole or in part, without penalty or further payment being required, if: i) sufficient State funds have not been appropriated to IEPA; ii) the Governor or IEPA reserves appropriated funds; iii) the Governor or IEPA determines that appropriated funds may not be available for payment; or iv) IEPA determines that there are otherwise insufficient funds available.

IEPA shall provide notice, in writing, to SWALCO of any such funding failure and its election to terminate or suspend the AGREEMENT as soon as practicable after such determination is made. Any suspension or

termination pursuant to this Section 10.3 will be effective upon said determination, notwithstanding any provision herein to the contrary.

10.3.2 IEPA's right to suspend or terminate the AGREEMENT as provided in Section 10.3.1 is in addition to IEPA's right to suspend or terminate the AGREEMENT as provided in Sections 10.1 or 10.2.

10.3.3 Notice of termination of the AGREEMENT shall be provided in accordance with the requirements of Section 12.0 herein; however, notice shall be effective upon said determination as provided in paragraph 10.3.1 above.

10.3.4 In the event that this Agreement is terminated pursuant to paragraph 10.3.1 above, IEPA shall update its website to reflect the termination of the FACILITY's operations.

11.0 ENTIRE AGREEMENT

Unless otherwise provided herein, this AGREEMENT represents the entire agreement between the Parties with respect to SWALCO's operation of its HHW collection program and IEPA's obligation to pay CONTRACTOR for CONTRACTOR SERVICES and supersedes all prior written agreements.

12.0 NOTICES

Unless otherwise provided herein, any notice required hereunder shall be deemed properly given to the Party to be notified at the time it is personally delivered or mailed by certified mail, return receipt requested, to the Party's address. The address of each Party is as specified below. Either Party may change its address for receiving notices by giving notice thereof in compliance with the terms of this Section.

FOR SWALCO:

Executive Director
Solid Waste Agency of Lake County, Illinois
1311 North Estes Street
Gurnee, Illinois 60031

FOR IEPA:

Manager
Materials Management and Compliance Section
Bureau of Land
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62794-9276

13.0 AMENDMENT OR MODIFICATION

This AGREEMENT shall not be altered, modified, or amended except by written instrument signed by all Parties hereto.

14.0 GOVERNING LAW AND SEVERABILITY

This AGREEMENT shall be governed by the laws of the State of Illinois as to both interpretation and performance. If any provision of this AGREEMENT shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or Sections contained in this AGREEMENT shall not affect the remaining portions of this AGREEMENT or any part hereof.

15.0 PARTIES' INTEREST/NO THIRD PARTY BENEFICIARIES

This AGREEMENT shall be binding on the Parties and shall inure to the benefit of the Parties. This AGREEMENT shall not run to the benefit of, or be enforceable by, any person other than a Party to this AGREEMENT (other than the Illinois Attorney General on behalf of IEPA). This AGREEMENT shall not be deemed, expressly or impliedly, to confer upon third parties any remedy, claim, right of reimbursement or other right whatsoever. Nothing contained in this AGREEMENT, nor any act of the Parties, shall be deemed or construed by any of the Parties hereto or by third parties to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving any of the Parties. The employees of SWALCO are therefore not entitled to any benefits provided to employees of the State by virtue of this AGREEMENT and/or any services or work performed under this AGREEMENT.

16.0 HEADINGS

The headings and titles of this AGREEMENT are for convenience only and shall not influence the construction or interpretation of this AGREEMENT.

17.0 CONSTRUCTION OF WORDS

The use of the singular form of any word herein also shall include the plural, and vice versa. The use of the neuter form of any word herein also shall include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

18.0 NO PERSONAL LIABILITY

No officer, official, employee, or authorized representative of SWALCO, IEPA, or the State shall be individually or personally liable in connection with this AGREEMENT.

19.0 COMPLIANCE WITH APPLICABLE LAWS

The Parties shall at all times observe and comply with all applicable federal, State, and local laws, regulations and codes which may in any manner affect the performance of this AGREEMENT.

20.0 IEPA AUTHORITY

Nothing in this AGREEMENT shall limit or otherwise affect IEPA's right of entry and access or any other right or authority under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. 9601 *et seq.*) (CERCLA), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6901 *et seq.*) (RCRA), the National Contingency Plan ("NCP"), or other federal and/or State law. Nothing in this AGREEMENT shall limit or otherwise affect IEPA's authority to take or require performance of response actions to address releases or threatened releases of hazardous substance, pollutants, waste, or contaminants at or from the FACILITY, or to enforce any federal or state law or regulation, Board Order, consent order, consent decree or other settlement agreement entered by IEPA.

21.0 GENERAL PROVISIONS

- 21.1 Any and all claims and disputes arising out of this AGREEMENT against the State, IEPA, or any of their respective officials, officers, employees, or authorized representatives shall be adjudicated in the Illinois Court of Claims and shall be governed by the Court of Claims Act (705 ILCS 505/1 *et seq.*). Nothing in this Section 21.1 shall negate any of the provisions set forth in Section 18 above.
- 21.2 If a Party waives a breach of any provision of this AGREEMENT by the other Party, that waiver shall not operate or be construed as a waiver of any subsequent breach by said Party or prevent the non-breaching Party from enforcing such provisions.
- 21.3 This AGREEMENT may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.
- 21.4 The Parties acknowledge that this AGREEMENT was freely negotiated by each of the Parties hereto, each of whom was represented by separate counsel; accordingly, this AGREEMENT shall be construed according to the fair meaning of its terms and not against any Party.

- 21.5. This AGREEMENT shall not be assigned by either Party. Any such assignment shall be null and void.
- 21.6. Each of the undersigned signing as an officer, representative, or agent on behalf of the respective Party to this AGREEMENT warrants and represents that he or she holds such capacity, as is specified beneath his or her name, and further warrants and represents that he or she is authorized to execute and effectuate this AGREEMENT, to bind the Party on whose behalf he or she is signing this AGREEMENT to the terms and conditions herein, and that he or she does so voluntarily and in his or her official capacity.

THE PARTIES TO THIS AGREEMENT, by their signatures, acknowledge they have read and understand this AGREEMENT and intend to be bound by its terms.

**SOLID WASTE AGENCY
OF LAKE COUNTY, ILLINOIS**

By: _____

Attest:

By: _____

Date: _____

**ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY**

By: _____

John J. Kim
Director

Attest:

By: _____

James Jennings
Manager, Materials Management and
Compliance Section

Date: _____

I – 1. Project and Program Updates

BACKGROUND: The following are updates on several projects and programs we are currently working on:

1. Walter and Derke had a call with Mike Ellis and the Grayslake attorney to discuss filing the complaints regarding host fee and local surcharge payments from the Countryside Landfill. It was determined that Grayslake needed to follow the arbitration process outlined in its host agreement with the landfill, and that SWALCO and Lake County should be the plaintiffs for the complaint. Derke and Walter have been coordinating with Lisle Statler with the Lake County State's Attorney's office on filing the complaints against the Countryside Landfill (WM) and the Zion Landfill (GFL). The intent is to file them shortly after the Executive Committee meeting.
2. Progress continues on the draft Packaging and Paper Products (PPP) bill. A draft of the bill has been sent to the IL Manufacturers Association and the National Waste and Recycling Association and calls were held with IMA on June 13th and NWRA on June 14th. During the meetings a PP presentation was given by PSI explaining the key elements of the bill. The plan is to hold follow up meetings with both groups after their members have had a better chance to review the draft bill. Walter gave a presentation on the bill to the Task Force to Reduce Recycling Contamination on June 21st which was well attended by the waste industry. More meetings are being scheduled with Metro Mayors, the County associations, IML and national associations such as Ameripen and The Recycling Partnership. After these meetings SWALCO and the Core Group of funders will likely make minor changes to the bill and develop a strategy for filing the bill and building more support. California became the 4th state to enact EPR legislation for packaging, the momentum is clearly building in the U.S.
3. Two special collection events for latex paint, fire extinguishers and propane tanks have been held on May 25th and June 15th. Totals for both events include 147 cars that paid \$6,785 to dispose of 1,477 cans of paint, 114 fire extinguishers and 161 propane tanks. The program revenues are exceeding costs by about \$200.
4. Walter attended and spoke at the Great Lakes Economic Forum on June 26th-28th. More progress is being made on a potential pilot program to collect film and plastic containers with the assistance of the Alliance to End Plastic Waste and The Recycling Partnership (TRP). Walter is now holding regular meetings with the Alliance and TRP, and recently joined the Great Lakes Council's working group to collect more plastics and plastic film. The hope is that this collaboration will lead to increased recovery of plastic containers and the start of sustainable collection programs for plastic film.

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director